

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended May 31, 2000

Commission File Number 2-85538

CCA INDUSTRIES, INC.  
(Exact Name of Registrant as Specified in its Charter)

Delaware	04-2795439
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification Number)

200 Murray Hill Parkway	
East Rutherford, NJ	07073
(Address of principal executive offices)	(Zip Code)

(201) 330-1400  
Registrant's telephone number, including area code

Not applicable  
Former name, former address and former fiscal year, if changed  
since last report.

Indicate by check mark whether the Registrant: (1) has filed all reports  
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of  
1934 during the preceding 12 months (or for such shorter period that the  
Registrant was required to file such reports), and (2) has been subject to such  
filing requirements for the past 90 days. Yes ☒ No

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes  
of common stock, as of the latest practical date.

Common Stock, \$.01 Par Value - 6,225,155 shares as of May 31, 2000

Class A Common Stock, \$.01 Par Value - 1,020,930 shares as of  
May 31, 2000

CCA INDUSTRIES, INC. AND SUBSIDIARIES

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

A S S E T S

<CAPTION>

	May 31, 2000 <C>	November 30, 1999 <C>
Current Assets		
Cash and cash equivalents	\$ 469,982	\$ 807,360
Short-term investments and marketable securities (Notes 3 and 10)	1,727,202	1,490,469
Accounts receivable, net of allowances of \$1,110,895 and \$1,183,576, respectively	10,159,045	7,371,532
Inventories	5,624,681	6,235,270
Prepaid expenses and sundry receivables	326,524	822,816
Deferred income taxes	1,170,288	1,178,513
Prepaid income taxes and refunds due	441,759	714,835
Deferred advertising	2,679,971	-
Total Current Assets	22,599,452	18,620,795
Property and Equipment, net of accumulated depreciation and amortization	798,967	739,728
Intangible Assets, net of accumulated amortization of \$78,350 at May 31, 2000 and \$71,840 at November 30, 1999	163,824	169,756
Other Assets		
Marketable securities	1,540,734	1,809,770
Due from officers - Non-current	42,605	57,918
Deferred income taxes	39,920	42,031
Other	54,646	54,989
Total Other Assets	1,677,905	1,964,708
Total Assets	\$25,240,148	\$21,494,987

</TABLE>

See Notes Consolidated to Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

<CAPTION>

	May 31, 2000	November 30, 1999
<S>	<C>	<C>
Current Liabilities		
Notes payable - Current portion	\$ 1,400,000	\$ 1,400,000
Accounts payable and accrued liabilities	8,180,686	4,928,905
Total Current Liabilities	9,580,686	6,328,905
Shareholders' Equity		
Common stock, \$.01 par; authorized 15,000,000 shares; issued and outstanding 6,321,151 shares	63,212	63,212
Class A common stock, \$.01 par; authorized 5,000,000 shares; issued and outstanding 1,020,930	10,209	10,209
Additional paid-in capital	4,453,478	4,453,478
Retained earnings	11,499,887	10,955,203
Accumulated other comprehensive income	( 202,158)	( 150,854)
	15,824,628	15,331,248
Less: Treasury Stock (95,996 shares)	165,166	165,166
Total Shareholders' Equity	15,659,462	15,166,082
Total Liabilities and Shareholders' Equity	\$25,240,148	\$21,494,987

</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

<CAPTION>

	Three Months Ended May 31, 2000		Six Months Ended May 31, 2000	
	1999	(Restated)	1999	(Restated)
<S>	<C>	<C>	<C>	<C>
Revenues				
Sales of Health and Beauty Aid Products - Net	\$11,931,856	\$11,109,844	\$20,505,775	\$19,767,027
Other income	70,623	43,101	132,824	84,079
	12,002,479	11,152,945	20,638,599	19,851,106
Costs and Expenses				
Costs of sales	4,184,558	4,026,263	7,888,589	7,565,382
Selling, general and administrative expenses	3,512,913	3,389,518	6,714,400	6,309,093
Advertising, cooperative and promotions	2,850,053	2,765,095	4,686,304	4,785,212

Research and development	157,842	125,443	282,862	255,209
Provision for doubtful accounts	67,184	50,094	134,311	93,802
Interest expense	46,031	-	51,455	-
	10,818,581	10,356,413	19,757,921	19,008,698
Income before Income Taxes	1,183,898	796,532	880,678	842,408
Provision for Income Taxes	415,604	235,007	308,431	270,954
Income Before (Loss) From Discontinued Operations	768,294	561,525	572,247	571,454
(Loss) From Discontinued Operations (	17,488)	( 380,393)	( 27,563)	( 318,661)
Net Income	\$ 750,806	\$ 181,132	\$ 544,684	\$252,793
Earnings per Share				
Basic	\$.10	\$.03	\$.08	\$.04
Diluted	\$.10	\$.02	\$.07	\$.03

</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

<CAPTION>

	Three Months Ended		Six Months Ended	
	May 31,		May 31,	
	2000	1999	2000	1999
	(Restated)		(Restated)	
<S>	<C>	<C>	<C>	<C>
Net Income	\$750,806	\$181,132	\$544,684	\$252,793

Other Comprehensive Income

Unrealized holding gains  
(loss) on investments ( 6,459) 6,461 ( 51,304) ( 7,119)

Provision (Benefit) for Taxes ( 2,996) 2,650 ( 19,496) ( 2,850)

Other Comprehensive

Income (Loss) - Net ( 3,463) 3,811 ( 30,782) ( 4,269)

Comprehensive Income \$747,343 \$184,943 \$513,902 \$248,524

Earnings Per Share:

Basic \$.10 \$.03 \$.08 \$.04  
Diluted \$.10 \$.02 \$.07 \$.03

</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

<CAPTION>

	Six Months Ended May 31, 2000	Six Months Ended May 31, 1999 (Restated)
<S>	<C>	<C>
Cash Flows from Operating Activities:		
Net income	\$ 544,684	\$ 317,676
Adjustments to reconcile net income to net cash (used in) operating activities:		
Depreciation and amortization	199,575	173,795
Minority deficiency in consolidated subsidiaries	-	( 64,883)
Amortization of bond premium	-	948
(Gain) loss on sale of marketable securities	( 4,956)	16,766
Decrease in deferred income taxes	10,336	53,989
(Increase) in accounts receivable - Net	(2,787,513)	( 1,941,852)
Decrease in inventory	610,589	1,004,892
Decrease (increase) in prepaid expenses and miscellaneous receivables	496,290	( 95,436)
(Increase) in deferred advertising	(2,679,971)	( 1,265,960)
Increase in accounts payable and accrued liabilities	3,251,781	2,095,043
Increase (decrease) in prepaid income taxes and refunds due	273,076	( 976,650)
Decrease (increase) in security deposits	343	( 400)
Net Cash (Used in) Operating Activities	( 85,766)	( 682,072)
Cash Flows from Investing Activities:		
Acquisition of property, plant and equipment	( 252,304)	( 86,562)
Acquisition of intangible assets	( 578)	( 454,087)
Proceeds of money due from officers	15,313	432
Purchase of marketable securities	(1,106,706)	( 122,150)
Proceeds from sale and maturity of investments	1,092,663	563,783
Purchase of treasury stock	-	( 9,557)
Net Cash (Used in) Investing Activities	( 251,612)	( 108,141)
Cash Flows from Financing Activities:		
Proceeds from borrowings	1,400,000	2,250,000
Payment on debt	(1,400,000)	( 1,900,000)
Net Cash Provided by Financing Activities	-	350,000
Net (Decrease) in Cash	( 337,378)	( 440,213)
Cash at Beginning of Period	807,360	542,289
Cash at End of Period	\$ 469,982	\$ 102,076

## Supplemental Disclosures of Cash Flow Information:

Cash paid during the period for:

Interest	\$ 55,646	\$ 76,573
Income taxes	4,467	1,018,068

</TABLE>

See Notes to Consolidated Financial Statements.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

## NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six month period ended May 31, 2000 are not necessarily indicative of the results that may be expected for the year ended November 30, 2000. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended November 30, 1999.

## NOTE 2 - ORGANIZATION AND DESCRIPTION OF BUSINESS

CCA Industries, Inc. ("CCA") was incorporated in the State of Delaware on March 25, 1983.

CCA manufactures and distributes health and beauty aid products.

CCA has several wholly-owned subsidiaries (CCA Cosmetics, Inc., CCA Labs, Inc., Berdell, Inc., Nutra Care Corporation, and CCA Online Industries, Inc.), all of which are currently inactive.

In March of 1998 CCA acquired 80% of the newly organized Fragrance Corporation of America, Ltd. which manufactures and distributes perfume products. In 1999, the Company adopted a formal plan to discontinue the operations of the subsidiary. The 1999 financial statements have been restated to give effect for discontinued operations.

## NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Principles of Consolidation:

The consolidated financial statements include the accounts of CCA and its wholly-owned subsidiaries (collectively the "Company"). All significant inter-company accounts and transactions have been eliminated.

### Use of Estimates:

The consolidated financial statements include the use of estimates, which management believes are reasonable. The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

### Short-Term Investments and Marketable Securities:

Short-term investments and marketable securities consist of corporate and government bonds and equity securities. The Company has classified its investments as Available-for-Sale securities. Accordingly, such investments are reported at fair market value, with the resultant unrealized gains and losses reported as a separate component of shareholders' equity.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Use of Estimates:

The consolidated financial statements include the use of estimates, which management believes are reasonable. The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

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#### Statements of Cash Flows Disclosure:

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with an original maturity of less than three months to be cash equivalents.

During fiscal 1999, two officers/shareholders exercised in the aggregate 100,000 options in exchange for 25,000 shares previously issued common stock. The common shares were put into treasury and were subsequently cancelled.

#### Inventories:

Inventories are stated at the lower of cost (first-in, first-out) or market.

Product returns are recorded in inventory when they are received at the lower of their original cost or market, as appropriate. Obsolete inventory is written off and its value is removed from inventory at the time its obsolescence is determined.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property and Equipment and Depreciation and Amortization

Property and equipment are stated at cost. The Company charges to expense repairs and maintenance items, while major improvements and betterments are capitalized. When the Company sells or otherwise disposes of property and equipment items, the cost and related accumulated depreciation are removed from the respective accounts and any gain or loss is included in earnings.

Depreciation and amortization are provided on the straight-line method over the following estimated useful lives or lease terms of the assets:

Machinery and equipment	7-10 Years
-------------------------	------------

Furniture and fixtures	5-7 Years
Tools, dies and masters	2-7 Years
Transportation equipment	7 Years
Leasehold improvements of lease, whichever is shorter	7-10 Years or life

#### Intangible Assets:

Intangible assets are stated at cost. Patents and trademarks are amortized on the straight-line method over a period of 17 years. Goodwill represents the excess of the cost over the fair value of the net assets acquired and is amortized over 60 months.

#### Financial Instruments:

The carrying value of assets and liabilities considered financial instruments approximate their respective fair value.

#### Income Taxes:

Income tax expense includes federal and state taxes currently payable and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes.

#### Tax Credits:

Tax credits, when present, are accounted for using the flow-through method as a reduction of income taxes in the years utilized.

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

#### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Earnings Per Common Share:

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share" in 1998. Basic earnings per share is calculated using the average number of shares of common stock outstanding during the year. Diluted earnings per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options using the "treasury stock method" and convertible debentures using the "if-converted" method. Common stock equivalents consist of stock options.

##### Revenue Recognition:

The Company recognizes sales at the time delivery occurs. Although no legal right of return exists between the customer and the Company, it is an industry-wide practice to accept returns from customers. The Company, therefore, records a reserve for returns equal to its gross profit on its historical percentage of returns on its last five months sales.

##### Comprehensive Income:

The Company adopted SFAS #130, Comprehensive Income, which considers the Company's financial performance in that it includes all changes in equity during the period from transactions and events from non-owner sources.



## Reclassifications

Certain prior year amounts have been reclassified to conform to the 2000 presentation.

### NOTE 4 - INVENTORIES

The components of inventory consist of the following:

	May 31, 2000	November 30, 1999
Raw materials	\$3,587,141	\$3,509,103
Finished goods	2,037,540	2,726,167
	\$5,624,681	\$6,235,270

At May 31, 2000 and November 30, 1999, the Company had a reserve for obsolescence of \$792,227 and \$1,056,789, respectively.

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## CCA INDUSTRIES, INC. AND SUBSIDIARIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 5 - PROPERTY AND EQUIPMENT

The components of property and equipment consisted of the following:

	May 31, 2000	November 30, 1999
Machinery and equipment	\$ 323,233	\$ 299,528
Furniture and equipment	901,662	742,547
Transportation equipment	10,918	10,918
Tools, dies, and masters	1,964,995	1,914,684
Leasehold improvements	166,820	147,647
	3,367,628	3,115,324
Less: Accumulated depreciation and amortization	2,568,661	2,375,596
Property and Equipment - Net	\$ 798,967	\$ 739,728

Depreciation expense for the six months ended May 31, 2000 and 1999 amounted to \$193,065 and \$136,249, respectively.

### NOTE 6 - INTANGIBLE ASSETS

Intangible assets consist of the following:

	May 31, 2000	November 30, 1999
Patents and trademarks	\$242,174	\$241,596
Less: Accumulated amortization	78,350	71,840
Intangible Assets - Net	\$163,824	\$169,756

Amortization expense for the six months ended May 31, 2000 and 1999 amounted to \$6,510 and \$7,278, respectively.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - DEFERRED ADVERTISING

In accordance with APB 28 Interim Financial Reporting the Company expenses its advertising and related costs proportionately over the interim periods based on its total expected costs per its various advertising programs. Consequently a deferral of \$2,679,971 is accordingly reflected in the balance sheet for the interim period. This deferral is the result of the Company's \$6,000,000 media budget for the year which contemplates lower spending in the 4th quarter than in the other three quarters; as well as the Company's Co-op advertising commitments which also anticipates a lower expenditure in the 4th quarter.

The table below sets forth the calculation:

	2000 (In Millions)	1999 (In Millions)
Media advertising budget for the fiscal year	\$6.00	\$6.00
Pro-rata portion for six months	\$3.00	\$3.00
Media advertising spent	5.29	3.32
Accrual (deferral)	(\$2.29)	(\$ .32)
Anticipated Co-op advertising commitments	\$2.70	\$3.50
Pro-rata portion for six months	\$1.35	\$1.75
Co-op advertising spent	1.74	2.70
Accrual (deferral)	(\$ .39)	(\$ .95)

NOTE 8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The following items which exceeded 5% of total current liabilities are included in accounts payable and accrued liabilities as of:

	May 31, 2000 (In Thousands)	November 30, 1999 (In Thousands)
a) Media advertising	\$3,114	\$ 560
b) Coop advertising	667	*
c) Accrued returns	*	630
	\$3,781	\$ 1,190

\* under 5%

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (Continued)

All other liabilities were for trade payables or individually did not exceed 5% of total current liabilities.

NOTE 9 - OTHER INCOME

Other income consists of the following at May 31:

	2000	1999
Interest income	\$106,331	\$84,896
Dividend income	20,698	19,742
Miscellaneous	5,795	( 20,559)
	\$132,824	\$84,079

#### NOTE 10 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES

Short-term investments and marketable securities, which consist of stock and various corporate and government obligations, are stated at market value. The Company has classified its investments as Available-for-Sale securities and considers as current assets those investments which will mature or are likely to be sold in the next fiscal year. The remaining investments are considered non-current assets. The cost and market values of the investments at May 31, 2000 and November 30, 1999 were as follows:

<CAPTION>

	May 31, 2000		November 30, 1999	
<S>	<C>	<C>	<C>	<C>
Current:	COST	MARKET	COST	MARKET
Corporate obligations	\$ -	\$ -	\$ 745,044	\$ 748,894
Government obligations (including mortgage backed securities)	1,738,026	1,727,202	743,777	741,575
Total	1,738,026	1,727,202	1,488,821	1,490,469
Non-Current:				
Corporate obligations	536,000	527,349	536,000	532,891
Government obligations	151,540	142,267	399,534	390,517
Preferred stock	612,561	567,678	612,561	571,535
Other equity investments	431,965	303,440	414,177	314,827
Total	1,732,066	1,540,734	1,962,272	1,809,770
Total	\$3,470,092	\$3,267,936	\$3,451,093	\$3,300,239

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 10 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

The market value at May 31, 2000 was \$3,267,936 as compared to \$3,300,239 at November 30, 1999. The cost and market values of the investments at May 31, 2000 were as follows:

<CAPTION>

COL. A	COL. B	COL. C	COL.D	COL.E
			Amount at Which Each Portfolio	
	Number of Units-Principal Amount of	Market Value of Each Issue	Of Equity Security Issues and Each Other Security	
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Bonds and Cost of Each Issue Sheet	at Balance Issue Carried in Balance Sheet

## CORPORATE OBLIGATIONS:

<S>	<C>	<C>	<C>	<C>	<C>	<C>	
GMAC Smartnotes	10/15/019	5.950%	536,000	\$536,000	\$527,349	\$527,349	

&lt;/TABLE&gt;

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

&lt;TABLE&gt;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 10 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

&lt;CAPTION&gt;

COL. A	COL. B	COL. C	COL. D	COL. E
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Bonds and Notes	Amount at Which Each Portfolio Market Of Equity Security Value of Issues and Each Each Issue Other Security Cost of at Balance Issue Carried in Sheet Date Balance Sheet

## GOVERNMENT OBLIGATIONS:

<S>	<C>	<C>	<C>	<C>	<C>	<C>	
FHLMC 1628-N	12/15/2023	6.500%	\$ 50,000	\$ 32,498	\$ 30,982	\$ 30,982	
FNMA 93-224-D	11/25/2023	6.500	104,000	91,182	84,034	84,034	
FNMA 92-2-N	1/25/2024	6.500	52,000	27,860	27,251	27,251	
US Treasury Note	11/30/2000	4.625	100,000	100,190	99,094	99,094	
US Treasury Note	1/31/2001	4.500	250,000	247,891	246,562	246,562	
US Treasury Note	9/30/2000	4.500	300,000	300,924	298,125	298,125	
US Treasury Note	5/31/2001	5.250	250,000	251,615	246,408	246,408	
US Treasury Note	11/30/2000	4.625	200,000	198,694	198,188	198,188	
US Treasury Note	5/15/2001	5.625	200,000	202,075	198,000	198,000	
US Treasury Bill	10/5/2000		450,000	436,637	440,825	440,825	
			1,889,566	1,869,469	1,869,469		

&lt;/TABLE&gt;

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CCA INDUSTRIES, INC. AND SUBSIDIARIES

&lt;TABLE&gt;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 10 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

&lt;CAPTION&gt;

COL. A	COL. B	COL. C	COL. D	COL. E
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Bonds and Notes	Amount at Which Each Portfolio Market Of Equity Security Value of Issues and Each Each Issue Other Security Cost of at Balance Issue Carried in Sheet Date Balance Sheet

Name of Issuer and Title of Each Issue	Amount of Maturity Date	Interest Rate	Bonds and Notes	Each Issue Cost of Each Issue	Other Security at Balance Sheet Date	Issue Carried in Balance Sheet
EQUITY:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Preferred Stock:						

Tennessee Valley Authority  
(QIDS) Qtrly Income Debt  
Secs

3/31/45 8.00% 13,600 \$ 362,561 \$ 338,300 \$ 338,300

Merrill Lynch Trust 9/30/08 7.28% 6,000 150,000 129,378 129,378

#### Other Equity Investments:

First Australia Prime 100,000 100,000 100,000

Dreyfus Premier Limited  
Term High Income CL B

3.8\* 11,537 142,174 114,906 114,906

Dreyfus High Yield  
Strategies Fund

10.5\* 20,382 289,791 188,534 188,534

1,044,526 871,118 871,118

\$3,470,092 \$3,267,936 \$3,267,936

\* Estimated

</TABLE>

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CCA INDUSTRIES, INC.

#### MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(UNAUDITED)

For the three month period ended May 31, 2000, the Company had revenues of \$12,002,479 and a net profit after taxes of \$750,806. In the prior year's period, the Company had revenues of \$11,152,945 and a net income of \$181,132 (excluding sales from discontinued operations of \$210,940). Sales for the current quarter were increased from the Company's brand products. Sales returns ran approximately 6.5% of gross sales substantially similar to the prior year period.

Advertising, cooperative and promotional allowance expenditures were \$2,850,053 as compared to \$2,765,095. Advertising expenditures were 24% of sales for the period as compared to 25%. Since both co-op advertising, media advertising and promotions have a material effect on the Company's operations, the Company attempts to anticipate its advertising and promotional commitments as a percentage of anticipated gross sales in order to spread the costs on its quarterly income statements.

For the six month period ended May 31, 2000, the Company had revenues of \$20,638,599 and net income of \$544,684 after a provision of income taxes of \$308,431. In the prior year's period, the Company had revenues of \$19,851,106 and net income of \$252,793 after a provision for income taxes of \$270,954. Net sales for the six month period ended May 31, 2000 (\$20,505,775) were up approximately \$740,000 from the 1999 sales for the six months (\$19,767,027) (excluding sales of \$1,299,517 from discontinued operations). Gross profit margins for the six month period were 61.5% similar to the prior year, despite a special credit allowance of approximately \$250,000 in sales allowances with a major account, which had a negative impact on the gross profit margin but decreased the cooperative advertising anticipated expenditures by that amount.

Advertising, cooperative and promotional allowance expenditures decreased during the six month period from \$4,785,212 to \$4,686,304. Advertising expenditures were 23% of sales for the six months ended May 31, 2000 as compared with 24% for the period ended May 31, 1999. As part of the registrant's business it is necessary to enter into co-operative advertising agreements and other promotional activities with its accounts, especially upon the introduction of a new product. Both co-op advertising and

promotions have a material effect on the Company's operations. If the advertising and promotions are successful, revenues will be increased accordingly. Should the co-op and promotions not be successful, it will have a negative impact on the Company's promotional cost per sale, and have a negative effect on income. The Company attempts to anticipate its advertising and promotional commitments as a percent of gross sales in order to attempt to control its effect on its net income. In accordance with APB 28 Interim Financial Reporting the Company expenses its advertising and related costs proportionately over the interim periods based on its total expected costs per its various advertising programs. Consequently, a deferral of \$2,679,971 is accordingly reflected in the balance sheet for the interim period, as compared to \$1,265,960 at May 31, 1999. The deferral is the result of the Company's \$6 million media budget for the entire year which is predicated on substantially lower spending in the third and fourth quarters; as well as the Company's \$2,700,000 co-op advertising budget. Specifically, the Company spent approximately \$5.3 million in the six months on media advertising and, therefore, expensed \$3 million and deferred \$2.3

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CCA INDUSTRIES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS  
OF OPERATIONS AND FINANCIAL CONDITION  
(UNAUDITED)

million as of May 31, 2000. Similarly, as of May 31, 2000, the Company's co-op advertising commitments for the year ended November 30, 2000 were anticipated to be approximately \$2.7 million of which approximately \$1.7 million was spent in the first six months resulting in an expense of \$1.35 million and a deferral of approximately \$400,000 as of May 31, 2000. Approximately \$500,000 has been reduced in the estimated co-op commitment but will be offset with a special credit allowance against sales given to a major account which will reduce sales by that amount and have a negative effect on gross profit margins.

Comparatively as of May 31, 1999, the Company had anticipated media advertising expense in fiscal year 1999 of \$6 million and spent approximately \$3.32 million in the first six months resulting in a deferral of approximately \$.32 million. The anticipated co-op commitments as of May 31, 1999 were \$3.5 million for the year of which \$2.7 million were spent for the six months resulting in a \$.95 million deferral.

Selling, general and administrative expenses ("SG&A") for the three month and six month periods (\$3,512,913 compared to \$3,389,518, and \$6,714,400 compared to \$6,309,093, respectively) increased primarily due to the increased shipping cost associated with the larger sales volume coupled with a rise in freight rates as a result of the increase in oil costs; as well as proportionate increases in commissions.

Research and development expenses for the three and six months were substantially the same.

Bad debt expense for the six month period increased due to the necessary reserves on the increasing accounts receivable. Actual write-offs were approximately \$30,000 in 2000 as compared to \$32,000 in 1999.

The Company's sales were primarily to drugstore chains, food chains and mass merchandisers.

The Company's financial position as at May 31, 2000 consists of current assets of \$22,599,452 and current liabilities of \$9,580,686. The Company's cash position decreased due to the significant increase in its accounts receivable due to a general slow down in payments by the major retailers. The Company's accounts payable also increased due to the Company's extension of its own payment terms. During the six month period ended May 31, 2000, shareholders' equity increased from \$15,166,082 at November 30, 1999 to \$15,659,462 at May 31, 2000. This was due primarily to the net income generated during the period.

During the six months, the Company used \$86,000 in operations and

\$252,000 to purchase new fixed assets. These factors resulted in a net decrease in the Company's cash of about \$338,000.

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PART II, ITEM 6. (Continued)

# EXHIBIT 11

## CCA INDUSTRIES, INC. AND SUBSIDIARIES

### COMPUTATION OF EARNINGS PER SHARE

(UNAUDITED)

	Three Months Ended		Six Months Ended	
	May 31,		May 31,	
	2000	1999	2000	1999

Item 6.

Weighted average shares

outstanding - Basic	7,167,242	7,171,085	7,167,242	7,171,157
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Net effect of dilutive stock

options--based on the  
treasury stock method  
using average market  
price

337,075	815,352	356,188	643,326
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Weighted average shares

outstanding - Diluted	7,504,317	7,986,437	7,523,430	7,814,483
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Net income	\$ 750,806	\$ 181,132	\$ 544,684	\$ 252,793
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Per share amount

Basic	\$ .10	\$ .03	\$ .08	\$ .04
Diluted	\$ .10	\$ .02	\$ .07	\$ .03

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CCA INDUSTRIES, INC.

PART II OTHER INFORMATION

All information pertaining to Part II is omitted pursuant to the instructions pertaining to that part.

The Company did not file any reports on Form 8-K during the six months ended May 31, 2000.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CCA INDUSTRIES, INC.

By:

David Edell, President

By:

Ira W. Berman, Secretary





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<PERIOD-TYPE>	3-MOS	3-MOS	6-MOS	6-MOS	
<FISCAL-YEAR-END>	NOV-30-2000	NOV-30-1999	NOV-30-2000	NOV-30-1999	
<PERIOD-END>	MAY-31-2000	MAY-31-1999	MAY-31-2000	MAY-31-1999	
<CASH>	469,982	100,182	469,982	100,182	
<SECURITIES>	3,267,936	3,339,245	3,267,936	3,339,245	
<RECEIVABLES>	11,269,940	9,137,348	11,269,940	9,137,348	
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<INVENTORY>	5,624,681	6,663,030	5,624,681	6,663,030	
<CURRENT-ASSETS>	22,599,452	25,014,235	22,599,452	25,014,235	
<PP&E>	3,609,802	3,268,415	3,609,802	3,268,415	
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<CURRENT-LIABILITIES>	9,580,686	9,913,689	9,580,686	9,913,689	
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<COMMON>	73,421	72,671	73,421	72,671	
<OTHER-SE>	15,586,041	16,058,413	15,586,041	16,058,413	
<TOTAL-LIABILITY-AND-EQUITY>	25,240,148	26,044,573	25,240,148	26,044,573	
<SALES>	11,931,856	11,109,844	20,505,775	19,767,027	
<TOTAL-REVENUES>	12,002,479	11,152,945	20,638,599	19,851,106	
<CGS>	4,184,558	4,026,263	7,888,589	7,565,382	
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<INTEREST-EXPENSE>	46,031	0	51,455	0	
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<INCOME-CONTINUING>	768,294	561,525	572,247	571,454	
<DISCONTINUED>	(17,488)	(380,393)	(27,563)	(318,661)	
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<CHANGES>	0	0	0	0	
<NET-INCOME>	750,806	181,132	544,684	252,793	
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